

# Directive

9060.3 7/15/98

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## **APPLICATION AND AGREEMENT FOR CONTRACT SERVICE, FORM FGIS-4**

### 1. PURPOSE

This directive provides:

- a. Applicants and official personnel of the Grain Inspection, Packers and Stockyards Administration, Federal Grain Inspection Service (FGIS), with information concerning contracting for official inspection and/or official weighing services performed by FGIS under the United States Grain Standards Act, as amended (USGSA); and
- b. Instructions for completing Form FGIS-4, Application and Agreement for Contract Service.

### 2. REPLACEMENT HIGHLIGHTS

This directive supersedes FGIS Instruction 9060.3, Application and Agreement for Contract Service, Form FGIS-4, dated 5-1-97. The directive is being updated to reflect a change in the wording of Section III, B, of Form FGIS-4 that indicates the contract hourly rate will be billed at the hourly rate in effect at the time of service.

### 3. POLICY

The Administrator of FGIS is authorized by the USGSA to charge and collect reasonable fees for the inspection and weighing of grain and related services performed by employees of FGIS. The FGIS fee schedule (7 CFR, Sections 800.71-73) provides for hourly rates for contract and noncontract inspection and weighing service. The contract service permits FGIS to stabilize the work force at a particular facility which reduces the cost of providing official services. These benefits are passed on to the applicant for service in the form of a lower hourly rate for contract service.

#### 4. APPLICANT RESPONSIBILITY

Applicants must determine whether a contract service agreement would be advantageous for their facility, the duration of the service agreement, and the number of official personnel wanted under the contract. However, FGIS will determine the total number of official personnel needed to perform the requested official service and advise the applicant of the number required. The number of official personnel under contract and the number needed to perform the service may be different. The additional noncontract personnel that may be needed will be charged at the noncontract hourly rate.

When an applicant desires to sign a contract with FGIS, the applicant shall complete "Form FGIS-FGIS-4, Application and Agreement for Contract Service."

#### 5. FGIS RESPONSIBILITY

When an applicant desires to sign a contract, FGIS will assist the applicant in determining if a contract service agreement is beneficial. For example, it should be taken into consideration that, based on the October 1, 1996, fees, there is a savings of approximately 30 percent under a contract. This means a facility can have downtime up to 30 percent of the time and still be under the cost of service on the noncontract rate.

FGIS will inform the applicant that official personnel under contract may be utilized for inspection and/or weighing service, and may be interchanged to provide the most efficient use of personnel.

Each field office will maintain an accurate and up-to-date file of all contracts within its assigned area.

#### 6. AMENDMENT OF CONTRACT

An applicant may amend the contract as to the number of official personnel under contract if it is mutually agreeable between the parties of the contract. Some applicants may modernize their facility to increase efficiency and decrease the number of official personnel required. In most cases, a reduction in required official personnel due to facility modernization would be mutually agreeable and the contract may be amended. If an applicant is reducing the number of contracted personnel to circumvent Section IV., B., 1., of the contract, the amendment to the contract will be denied.

7. IMPLEMENTATION OF CONTRACT SERVICE

The contracted service hours will be the facility's normal 8-hour shifts and must be contracted for at least 5 consecutive days. Contract rates apply only to the hours and shifts specified in the contract (i.e., a 5-consecutive day, 8-hour contract would apply for 8 hours work starting on the day specified in the contract and running for 5 consecutive days). All hours worked in excess of the contract will be at the noncontract rate. All services performed under a contract agreement during regular workdays will be charged the regular hourly contract rate. The term "regular workday" means the hours of 6 a.m. to 6 p.m., local time, any Monday, Tuesday, Wednesday, Thursday, or Friday that is not a holiday<sup>1</sup>.

Hourly rates include the cost of travel and transportation to perform the service requested and, except as provided in the regulations, Section 800.71, Schedule A, the issuance of certificates.

Service charges shall not be assessed under contract service for recognized Federal holidays when, upon request of the applicant, service is not performed. The applicant is required to make this request not later than 2 p.m. the preceding business day. Further, a charge shall not be assessed when service is not performed due to strikes, natural disasters, fires, bomb threat, or other situations not under the control of the applicant. In other words, if FGIS personnel are unable to be present at the facility to perform the service, then charges shall not be assessed. Further, service charges shall not be assessed under other situations if official personnel are temporarily reassigned.

8. GENERAL INFORMATION

A contract assures the applicant that FGIS will have the number of official personnel available to provide service at the applicable contract hourly rate. The contract also assures FGIS a constant work force and aids in determining the number of official personnel needed in a field office.

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<sup>1</sup>

Holiday shall mean the legal public holidays specified in paragraph (a) of Section 6103, Title 5, of the United States Code (5 U.S.C. 6103 (a)) and any other day declared to be a holiday by Federal statute or Executive Order. Under Section 6103 and Executive Order No. 10357, as amended, if the specified legal public holiday falls on a Saturday, the preceding Friday shall be considered to be the holiday, or if the specified legal holiday falls on a Sunday, the following Monday shall be considered to be the holiday.

In addition, for those facilities that have a scheduled annual shutdown period, the field office manager, with sufficient advanced notice, may be able to work out a schedule whereby official personnel can be scheduled for annual leave, required formal training, or reassignment during an elevator's normal annual shutdown period. Utilization of personnel in such a manner is beneficial to the grain industry and FGIS.

If an applicant does not elect to enter into a contract with FGIS, the applicant will be charged the applicable noncontract hourly rate.

Official services shall be performed, to the extent practicable, in the order in which they are received. Precedence shall be given to requests for services required for export grain.

10. DISTRIBUTION OF COMPLETED FORM

- a. The original will be retained in the authorizing field office.
- b. One copy will be forwarded to the applicant signing the agreement.
- c. One copy will be forwarded to the Office of the Director, Field Management Division.

11. STOCKS OF FORM FGIS-4

Contact the Office of the Director, Support Staff, for copies of Form FGIS-4 (this form may be reproduced as needed).

*/s/David Orr*

David Orr, Director  
Field Management Division

Attachment

<p style="text-align: center;">UNITED STATES DEPARTMENT OF AGRICULTURE GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION FEDERAL GRAIN INSPECTION SERVICE WASHINGTON, D.C.</p>	<p style="text-align: center;">OMB No. 0580-0013</p> <p>No reduced hourly fee may be approved unless this application has been properly completed (7 CFR 800.115(c)).</p> <p>Public reporting burden for this collection of information is estimated to average .167 hrs. per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the form. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing the burden to USDA, to: OIRM, Clearance Office, Room 404-W, Washington, D.C. 20250. When replying, refer to the OMB Number and Form Number in your letter.</p>
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**APPLICATION AND AGREEMENT FOR CONTRACT SERVICE**

Name of Applicant (1)	Location of Service (2)	Date of Service to Commence (3)
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The above named applicant hereby makes application for official inspection and/or official weighing service(s) in accordance with applicable provisions and conditions stated below:

- I. The contract and the services shall be subject to the United States Grain Standards Act, as amended, (7 U.S.C. 71 et seq.), hereinafter cited as the Act, and the regulations, standards, and instructions thereunder.
  
- II. The applicant agrees that with respect to:
  - A. **1 YEAR CONTRACT RATE** - To pay the contract rate, that is in effect at the time service is performed, for 8 hours of service per day, per contracted personnel for a specified shift, (4) consecutive days (5 days minimum) per week beginning on (5), for 1 calendar year from the effective date of the contract. The fees are published in the regulations under the Act.
  - B. **6 MONTH CONTRACT RATE** - To pay the contract rate, that is in effect at the time service is performed, for 8 hours of service per day, per contracted personnel for a specified shift, \_\_\_\_\_ consecutive days (5 days minimum) per week beginning on \_\_\_\_\_, for 6 calendar months from the effective date of the contract. The fees are published in the regulations under the Act.
  - C. **3 MONTH CONTRACT RATE** - To pay the contract rate, that is in effect at the time service is performed, for 8 hours of service per day, per contracted personnel for a specified shift, \_\_\_\_\_ consecutive days (5 days minimum) per week beginning on \_\_\_\_\_, for 3 calendar months from the effective date of the contract. The fees are published in the regulations under the Act.
  - D. **NONCONTRACT RATE** - To pay the noncontract rate, that is in effect at the time service is performed, for all noncontracted hours worked. The fees are published in the regulations under the Act.
  - E. **CONTRACTED PERSONNEL** - To pay the contract rate that is in effect at the time service is performed for:
    1. \_\_\_\_\_ official personnel for the first shift for 8 hours per day.
    2. \_\_\_\_\_ official personnel for the second shift for 8 hours per day.
    3. \_\_\_\_\_ official personnel for the third shift for 8 hours per day.
  
- III. GIPSA/FGIS agrees that with respect to:
  - A. **SERVICES** - To furnish official personnel to perform service for the applicant at the specified location in accordance with the Act.
  - B. **CHARGES** - To bill the applicant at the contract hourly rate, that is in effect at the time service is performed, for the contracted hours and noncontract hourly rate for all other hours worked in accordance with fees published in the regulations under the Act.
  - C. **HOLIDAYS** - Charges shall not be assessed for recognized Federal holidays when service is not performed upon request of the applicant. This request must be made not later than 2 p.m. the preceding business day.
  - D. **UNCONTROLLABLE CIRCUMSTANCES** - Charges shall not be assessed when service is not performed due to strikes, natural disasters, fires, bomb threats, or other situations not under the control of the applicant.

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IV. It is mutually agreed that with respect to:

A. **OFFICIAL PERSONNEL -**

1. GIPSA/FGIS reserves the right to determine the total number of official personnel needed to perform the service.
2. GIPSA/FGIS reserves the right to reassign official personnel when, in the opinion of GIPSA/FGIS, the personnel are not needed to perform service for the applicant or when the applicant and FGIS agree services are not needed.

B. **TERMINATION OF CONTRACT** - The official service shall be provided at the specified location and shall be continued for a specified contract period unless the contract is terminated prior to this time by:

- (6)
1. Either party giving the other 60 days advance written notice of termination, unless it is mutually agreeable to both parties to terminate it at an earlier date. If the applicant terminates the contract, then the applicant forfeits the privilege of signing a new contract for the specified contract period.
  2. The applicant notifying GIPSA/FGIS of termination 10 days prior to the effective date of revised inspection and/or weighing contract hourly fees.

C. **RENEWAL OF CONTRACT** - The applicant will give not less than 10 days written notice of intent to renew the contract for a specified contract period.

D. **AMENDMENT OF CONTRACT** - By mutual agreement, a contract may be amended as to the number of official personnel under the contract.

V. This application, when approved, shall constitute a contract between the undersigned applicant and GIPSA/FGIS, in accordance with the terms and conditions provided herein, and shall supersede any previous executed contract(s) for official inspection and/or official weighing service(s) covering the same location and applicant.

**APPLICANT**

Name of Firm (7)		
Signature (8)	Title (9)	Date (10)

**APPROVED**

U.S. Department of Agriculture, Grain Inspection, Packers and Stockyards Administration, Federal Grain Inspection Service		
Field Office (City and State) (11)		
Signature of Authorized Field Office Representative (12)	Title (13)	Date (14)

**INSTRUCTIONS FOR COMPLETING Form FGIS-4,**  
**“APPLICATION AND AGREEMENT FOR CONTRACT SERVICE”**

Prepare the form with an original and three copies.

- (1) Show name of applicant.
- (2) Show the address where the service will be performed.
- (3) Show the date that the agreement is to become effective (on or after the date of signature).
- (4) Select the contract duration rate desired (1 year, 6 months, or 3 months). Show the minimum number of consecutive days a week agreed upon (5, 6, or 7). The contract must be for at least 5 days.
- (5) Designate the first day of the consecutive days per week (i.e., Sunday, Monday, etc.).
- (6) Show the number of official personnel under contract per shift. (If none are required for a shift, show “0”)
- (7) Show the name of the firm making application.
- (8) Show the signature of the person making application.
- (9) Show the title of the person making application.
- (10) Show the date of the applicant’s signature.
- (11) Show the city and state of the authorizing field office.
- (12) Show the signature of the authorized field office representative.
- (13) Show the title of the authorized field office representative.
- (14) Show the date of the authorized field office representative’s signature.

To renew an existing contract, complete and present to FGIS a new Form FGIS-4.

Amendments to the contract will be typed on plain bond paper. The amended item will be stated (i.e., item II, C, 2 is amended to read “4 official personnel for the second shift for 8 hours per day,” effective (Date), and both parties will sign and attach the amendment to the contract.